

ARDMORE SCHOOL DISTRICT I-19
Carter County, Oklahoma
Financial Statements
Year-End June 30, 2019

ARDMORE SCHOOL DISTRICT NO. I-19
 Carter County, Oklahoma
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 June 30, 2019

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INDEPENDENT AUDITOR'S REPORT

To the Board of Education
Ardmore School District No. I-19, Carter County, Oklahoma
Ardmore, Oklahoma

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information Ardmore School District No. I-19, Carter County, Oklahoma, as of and for June 30, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the financial reporting provisions of the Oklahoma State Department of Education described in Note I. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to error or fraud.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note I, the financial statements are prepared by Ardmore School District No. I-19, Carter County, Oklahoma, on the basis of the financial reporting provisions of Oklahoma State Department of Education, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to comply with the requirements of Oklahoma State Department of Education. The effects on the financial statements of the variances between the regulatory basis of accounting described in Note I and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the “Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles” paragraph, the financial statements referred to in the first paragraph do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of Ardmore School District No. I-19, Carter County, Oklahoma, as of June 30, 2019, the changes in its financial position for the year then ended.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to in the first paragraph present fairly, in all material respects, the respective financial position on a regulatory basis of governmental activities, each major fund and the aggregate remaining fund information on a regulatory basis of Ardmore School District No. I-19, Carter County, Oklahoma, as of June 30, 2019, and the respective changes in financial position on a regulatory basis for the year then ended, on the basis of the financial reporting provisions of Oklahoma State Department of Education as described in Note I.

Other Matters

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Ardmore School District No. I-19, Carter County, Oklahoma’s financial statements as a whole. The management discussion and analysis, budgetary comparison schedules, combining nonmajor fund financial statements, statement of changes in activity fund subaccounts and other information as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the financial statements. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is also not a required part of the financial statements.

The combining nonmajor fund financial statements, statement of changes in activity fund subaccounts and the schedule expenditures of federal awards is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

The Oklahoma Department of Education requires management discussion and analysis, budgetary information, statement of statutory fidelity and honesty bonds and schedule of accountant’s

professional liability insurance be presented to supplement the financial statements. Such information, although not considered part of the basic financial statements, is required by the Oklahoma Department of Education, who considers it an essential part of the financial reporting. We have applied certain limited procedures to this supplemental information which consisted of inquires of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statement and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 23, 2020 on our consideration of the Ardmore School District No. I-19, Carter County, Oklahoma's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Ardmore School District No. I-19, Carter County, Oklahoma's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Ardmore School District No. I-19, Carter County, Oklahoma's internal control over financial reporting and compliance.

Mary E Johnson & Associates PLLC

Ardmore, Oklahoma

March 23, 2020

ARDMORE SCHOOL DISTRICT NO. I-19
Management's Discussion and Analysis
June 30, 2019
(UNAUDITED)

As management of the Ardmore School District No. I-19, Carter County, Oklahoma (the "District"), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2019. We encourage readers to consider the information presented here. The basic financial statements include government-wide financial statements and fund financial statements. For a further understanding of the difference between these financial statements, a detailed discussion is provided on page 20.

Financial Highlights

With respect to the government-wide financial statements:

The assets of the District exceeded its liabilities at the close of the most recent fiscal year by \$35,824,729 (*net position*), which is an increase of \$3,517,458 from the prior year. Of the amount at June 30, 2019, \$1,375,851 (*unrestricted net position*) may be used to meet the entity's ongoing obligations to citizens and creditors.

With respect to the fund financial statements:

As of the close of the current fiscal year, the District's governmental funds reported combined ending fund balances of \$40,464,082, a increase of \$30,792,695 from the prior year.

At the end of the current fiscal year, unassigned fund balance for the general fund was \$1,029,858.

Other highlights:

In April 2019, the Board of Education approved the sale of \$3,780,000 General Obligation Combined Purpose Bonds; the proceeds were received by the District on June 6, 2019. The purpose of these bonds were to provide \$300,000 proceeds for the Transportation series bonds, \$2,075,000 proceeds for the 2013 CCPFA lease payment, and \$1,405,000 proceeds for the 2018 CCPFA lease payment.

The voters approved \$2,500,000 Transportation Series Bonds in November 2017. The first series in the amount of \$1,000,000 was received in March 2018 as part of a combined purpose bond. The second series in the amount of \$300,000 was received in June 2019 as part of the Combined Purpose Bonds as explained above. Three buses and one 14-passenger activity bus were purchased and received by June 30, 2019.

On September 1, 2013, the Board of Education entered into ground lease and sublease agreements with the Carter County Public Facilities Authority (CCPFA), a public trust, for the purpose of facilitating the issuance of the bonds, to provide security for payment of the bonds, and to enable the District to utilize the bond proceeds for the construction and placement of improvements on real property. The lease agreements will remain in effect to June 30, 2027. In conjunction with these lease agreements, the District will issue general obligation bonds to repay the lease. On June 6, 2019, the District

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June 30, 2019
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received \$2,075,000 proceeds from the \$3,780,000 General Obligation Combined Purpose Bonds for the 2013 CCPFA lease payment.

On August 1, 2018, the Board of Education entered into ground lease and sublease agreements with the Carter County Public Facilities Authority (CCPFA), a public trust, for the purpose of facilitating the issuance of the bonds, to provide security for payment of the bonds, and to enable the District to utilize the bond proceeds for the construction and placement of improvements on real property. The lease agreements will remain in effect to June 30, 2034. In conjunction with these lease agreements, the District will issue general obligation bonds to repay the lease. On June 6, 2019, the District received \$1,405,000 proceeds from the \$3,780,000 General Obligation Combined Purpose Bonds for the 2018 CCPFA lease payment.

In June 2018, a local charitable foundation granted the District \$4,000,000 to help construct the Performing Arts Center. The grant will be distributed in annual payments of \$500,000 from 2018 through 2025. The second payment of \$500,000 was received on December 17, 2018.

In May 2018, another local charitable foundation awarded a \$450,000 grant to help construct the Performing Arts Center. The District received these grant funds in May 2019.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the entity's basic financial statements. The District's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements. The *government-wide financial statements* include the statement of net position – regulatory basis and the statement of activities – regulatory basis and are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business.

The *statement of net position – regulatory basis* presents information on all of the District's assets and liabilities, with the difference between the two reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The *statement of activities – regulatory basis* presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported using the regulatory basis of accounting whereby revenues represent cash receipts collected by June 30th and expenditures represent cash disbursements modified by encumbrances, investments, inventories, capital assets, depreciation, and long-term debt.

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Overview of the Financial Statements (Continued)

The governmental activities of the District include instruction, supporting services, non-instruction services, capital outlay, and other outlays. These functions are principally supported by State of Oklahoma appropriations, grants and fees.

The government-wide financial statements can be found on pages 15-16 of this report.

Fund financial statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The District only has governmental funds.

Governmental funds. *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on cash collections and encumbrances, as well as balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet – regulatory basis and the governmental fund statement of revenues, expenditures, and changes in fund balances – regulatory basis provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The District maintains seventeen individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Building Fund, Sinking Fund, and CCPFA 2018 Bond Fund which are considered to be major funds. Data from the other thirteen governmental funds are combined into an aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements* elsewhere in this report.

The District adopts an annual appropriated budget for its general fund, building fund, child nutrition fund, coop fund, and sinking fund. A budgetary comparison statement has been provided for the general fund and all major funds to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 17-18 of this report.

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Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 20-35 of this report.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain *other information* concerning the District's budget to actual schedules on major governmental funds, combining and individual fund statements and schedules. Other information can be found on pages 37-46 of this report.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the District, assets exceeded liabilities by \$35,824,729 at the close of the most recent fiscal year, as shown below.

The District's Net Position

	Governmental Activities	
	June 30, 2019	June 30, 2018
ASSETS		
Cash and Cash Equivalents	\$ 15,115,206	\$ 11,465,653
Restricted Cash	27,021,682	132,929
Investments	37,666	37,666
Capital Assets:		
Land and Construction in Progress	2,642,160	609,807
Other Capital Assets, Net of Depreciation	44,773,487	45,201,077
Total Assets	\$ 89,590,201	\$ 57,447,132
LIABILITIES AND EQUITY		
Current Liabilities		
Warrants Payable	\$ 1,632,193	\$ 1,744,304
Reserve for Encumbrances	78,279	220,557
Long-Term Liabilities		
Due within one year	4,840,000	4,090,000
Due in more than one year	47,215,000	19,085,000
Total Liabilities	\$ 53,765,472	\$ 25,139,861
Net Position		
Invested in Capital Assets	27,482,687	24,927,585
Restricted	6,966,191	5,272,596
Unrestricted	1,375,851	2,107,090
Total Net Position	\$ 35,824,729	\$ 32,307,271

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Government-wide Financial Analysis (Continued)

The District's Cash and Cash Equivalents increased by \$3,649,553, primarily due to issuance of General Obligation Bonds.

Restricted Cash of \$27,021,682 consists of unused cash from the advanced lease revenue bonds from the Carter County Public Facilities Authority (CCPFA) 2013 lease (\$128,999) and the CCPFA 2018 lease (\$26,892,683).

Construction in Progress of \$2,199,510 includes the following site improvement projects:

New Performing Arts Center	\$ 1,761,868
Jefferson Elementary Gym, Secure Entry, Bus Lane and Parking	<u>437,642</u>
	<u>\$ 2,199,510</u>

Long-Term Liabilities include \$10,865,000 of general obligation bonds and \$41,190,000 of advanced lease revenue bonds from the Carter County Public Facilities Authority (CCPFA) 2013 and 2018 leases. These liabilities were incurred for the purpose of constructing, equipping, repairing and remodeling school buildings, acquiring school furniture, fixtures and equipment, acquiring and improving school sites, and purchasing school buses. These financing arrangements are described in Notes V and X of the footnotes.

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Government-wide Financial Analysis (Continued)

Governmental activities. Governmental activities increased the District's net position by \$3,517,458. Key elements of this increase are shown below.

The District's Changes in Net Position

	Governmental Activities	
	Year Ended	
	June 30, 2019	June 30, 2018
Primary Government		
Program Revenues:		
Charges for Services	\$ 1,282,294	\$ 1,204,851
Operating Grants and Contributions	6,563,272	6,801,203
Capital Grants and Contributions	73,739	61,434
Total Program Revenues	<u>\$ 7,919,305</u>	<u>\$ 8,067,488</u>
General Revenues:		
Taxes:		
Property Taxes, levied for general purposes	\$ 5,748,647	\$ 5,475,603
Property Taxes, levied for building purposes	821,464	782,448
Property Taxes, levied for sinking fund purposes	3,869,226	2,613,379
General Taxes	2,970,490	2,716,144
Investment Earnings	650,233	101,293
State Aid - Noncategorical	10,662,468	9,813,521
Gain or (Loss) on Disposal of Assets	2,797	(5,927)
Miscellaneous	3,369,330	445,044
Total General Revenues	<u>\$ 28,094,655</u>	<u>\$ 21,941,505</u>
 Total Revenues	 <u>\$ 36,013,960</u>	 <u>\$ 30,008,993</u>
 Governmental Activities		
Expenses:		
Instruction	14,112,641	13,193,095
Support Services	14,687,943	13,120,143
Operation of Noninstructional Services	2,383,051	2,261,486
Facilities Acquisition & Construction Services	-	44,175
Scholarships, Awards, & Other	9,600	8,845
Interest on Long-Term Debt	1,298,267	653,862
Other Expenses and Refunds	5,000	3,562
Total Expenses	<u>32,496,502</u>	<u>29,285,168</u>
 Increase (Decrease) In Net Position	 3,517,458	 723,825
Net Position - Beginning	<u>32,307,271</u>	<u>31,583,446</u>
 Net Position, Ending	 <u>\$ 35,824,729</u>	 <u>\$ 32,307,271</u>

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Government-wide Financial Analysis (Continued)

The District's Operating Grants and Contributions had a net decrease of \$237,931 during the year ended June 30, 2019, due to the timing of federal claim reimbursements which were offset by several one-time donations.

Property taxes levied for general purposes and building purposes increased \$273,044 and \$39,016, respectively, during the year ended June 30, 2019, primarily due to an increase of 4.7% in property valuations.

Property taxes levied for sinking fund purposes increased \$1,255,847 during the year ended June 30, 2019, due to an increase of outstanding bond debt.

General taxes increased \$254,346 primarily due to an increase in Gross Production Taxes.

Investment earnings increased \$548,940 due to interest on CCPFA 2018 funds and Sinking Fund.

State Aid – Noncategorical revenues increased \$848,947 primarily due to the effects of the following categories in the state aid formula: increase in state aid factors (\$1,914,513), decrease in weighted ADM (\$654,385), increase in ad valorem chargeable (\$281,904), increase in other chargeables (\$88,431), and a reduction of returned FY17 state aid (\$31,543). In addition to the increase in the state aid formula, there was a decrease in flexible benefit allowance of \$9,303.

The \$2,797 Gain on Disposal of Assets for the year ended June 30, 2019, is primarily attributable to the sale of older vehicles.

Miscellaneous Revenues increased \$2,924,286 primarily due to the premium received on the 2018 CCPFA lease revenue bonds.

Instruction expenses increased \$919,546 primarily due to an increase in salaries (\$1,213,175) as a result of staffing changes and state-mandated pay raises required by HB 1023 and HB 1026 which were enacted into Oklahoma law during the 2018 legislative session. These salary increases were offset by a decrease in technology purchases.

Support Services increased \$1,567,800 primarily due to the bond issuance costs of the CCPFA 2018 lease revenue series bonds (\$821,932) and an increase in salaries (\$741,290) as a result of staffing changes and state-mandated pay raises as described in the preceding paragraph.

Operation of Noninstructional Services increased \$121,565 primarily due to an increase in salaries (\$99,421) as a result of staffing changes and state-mandated pay raises as described in the preceding paragraph.

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Facilities Acquisition and Construction Services decreased \$44,175 due to architectural services provided in the prior fiscal year to assist with the drawings and costs for the Performing Arts Center and replacement of doors.

Interest on Long-Term Debt of \$1,298,267 includes \$1,198,797 interest on the 2013 and 2018 CCPFA lease revenue bonds and \$99,470 on general obligation bonds.

Financial Analysis of the Government's Funds

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of the District's *governmental funds* is to provide information on cash collections and encumbrances, as well as balances of spendable resources available at the end of the fiscal year. Such information is useful in assessing the District's financing requirements. In particular, *unassigned fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the District's governmental funds reported combined ending fund balances of \$40,464,082, an increase of \$30,792,695 in comparison with the prior year. This amount includes \$1,029,858, *unassigned fund balance*, which is available for spending at the District's discretion.

The general fund is the chief operating fund of the District. At the end of the current fiscal year, total fund balance of the general fund was \$1,375,851, of which \$345,993 was restricted by state statute, donors and external grantors.

General Fund Budgetary Comparisons

The District budgets conservatively. Revenues are budgeted based upon statutorily-limited amounts equaling 90% of the prior year's collections; approved millage rates for ad valorem taxes; and approved allocation amounts from federal, state, and local grantors. Expenditures and carryover are budgeted based upon the legal appropriations approved by the county excise board.

During fiscal year ended June 30, 2019, General Fund property tax revenue was \$193,098 greater than the budgeted amount, reflecting a 3% increase in revenues. This increase is due to an increase in collections of prior years' taxes and current year taxes collected above the 10% allowance for delinquent accounts.

State revenues increased \$184,446 primarily due to an increase in Gross Production Tax of \$358,010, an increase of \$97,273 in Motor Vehicle taxes offset by a decrease of \$298,988 in State Foundation and Salary Incentive Aid.

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Federal revenues decreased \$11,029 primarily due to the timing of federal claim reimbursements.

Other revenues increased \$407,527 primarily due to collection of several one-time local grants, advanced funding of a grant for school nurses, and sales of school supply kits.

General fund actual instruction expenditures were \$474,552 less than budgeted instruction expenditures due to the District's conservative approach to carryover fund balance to the next fiscal year.

Capital Asset and Debt Administration

Capital assets. The District's investment in capital assets for its governmental activities as of June 30, 2019, amounts to \$47,415,647 (net of accumulated depreciation). This investment in capital assets includes land, land improvements, buildings, buses, vehicles, machinery and equipment, and construction in progress. The net increase in the District's capital assets for the current fiscal year was \$1,604,763.

The District's Capital Assets
(Net of Depreciation)

	Governmental Activities	
	June 30, 2019	June 30, 2018
Land	\$ 442,650	\$ 442,650
Land Improvements	3,598,724	3,571,184
Buildings	74,192,858	73,917,792
Buses and Vehicles	3,705,508	3,378,186
Machinery and Equipment	4,631,557	4,182,081
Construction in Progress	2,199,510	167,157
 Total Capital Assets	 88,770,807	 85,659,050
 Accumulated Depreciation	 (41,355,160)	 (39,848,166)
 Net Capital Assets	 \$ 47,415,647	 \$ 45,810,884

Additional information on the District's capital assets can be found in Note IV on page 28 of this report.

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(UNAUDITED)

At year-end, the District had \$52,055,000 in long-term liabilities versus \$23,175,000 last year, as shown below:

	Governmental Activities	
	June 30, 2019	June 30, 2018
Capital Leases	\$ 41,190,000	\$ 15,420,000
General Obligation Debt	10,865,000	7,755,000
Total Governmental Activity Long-Term Liabilities	\$ 52,055,000	\$ 23,175,000

Additional information on the District's long-term obligations can be found in Note V to the financial statements.

Other Currently Known Facts, Decisions, or Conditions

In December 2019, the Board of Education approved the sale of \$3,825,000 General Obligation Combined Purpose Bonds; the proceeds were received by the District on January 30, 2020. The purpose of these bonds were to provide \$300,000 proceeds for the Transportation series bonds, \$2,075,000 proceeds for the 2013 CCPFA lease payment, and \$1,450,000 proceeds for the 2018 CCPFA lease payment.

Requests for Information

This financial report is designed to provide a general overview of the District's finances for all those with an interest in the entity's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Ardmore School District No. I-19, Carter County, Oklahoma District, P.O. Box 1709, Ardmore, Oklahoma 73402.

BASIC FINANCIAL STATEMENTS

ARDMORE SCHOOL DISTRICT NO. I-19
Carter County, Oklahoma
Statement of Net Position – Regulatory Basis
June 30, 2019

	<u>Governmental Activities</u>
ASSETS	
Cash and Cash Investments	\$ 15,115,206
Restricted Cash	27,021,682
Investments	37,666
Capital Assets:	
Land and Construction in Progress	2,642,160
Other Capital Assets, net of depreciation	<u>44,773,487</u>
 Total Assets	 <u>\$ 89,590,201</u>
 LIABILITIES AND NET POSITION	
Current Liabilities	
Warrants Payable	\$ 1,632,193
Reserve for Encumbrances	78,279
Long -term liabilities	
Due within one year	4,840,000
Due in more than one year	<u>47,215,000</u>
 Total Liabilities	 <u>\$ 53,765,472</u>
 Net Position	
Net Investment in Capital Assets	\$ 27,482,687
Restricted for	
Building Services	1,671,673
Child Nutrition	546,318
Debt Service	3,623,475
Instructional Materials and Technology	567,005
Alternative Education	80,247
School Organizations	399,464
Scholarships	
Expendable	26,843
Nonexpendable	51,166
Unrestricted	<u>1,375,851</u>
Total Net Position	<u><u>\$ 35,824,729</u></u>

See Notes to Financial Statements

ARDMORE SCHOOL DISTRICT NO. I-19
Carter County, Oklahoma
Statement of Activities– Regulatory Basis
For the Year Ended June 30, 2019

	Program Revenues			Capital	Net (Expense) Revenue and Changes in Net Position
Expenses	Charges for Services	Operating Grants and Contributions	Grants and Contributions	Primary Governmental Activities	
<i>Functions/Programs</i>					
Primary Government					
Governmental Activities					
Instruction	\$ 14,112,641	\$ 452,820	\$ 3,643,152	\$ -	\$ (10,016,669)
Support Services	14,687,943	309,901	1,294,685	-	(13,083,357)
Operation of Noninstructional Services	2,383,051	475,150	1,504,198	73,739	(329,964)
Scholarships, Awards and Other	9,600	-	4,000	-	(5,600)
Interest on Long-Term Debt	1,298,267	-	-	-	(1,298,267)
Other Expenses and Refunds	5,000	44,423	117,237	-	156,660
Total Governmental Activities	\$ 32,496,502	\$ 1,282,294	\$ 6,563,272	\$ 73,739	\$ (24,577,197)
General Revenues					
Taxes					
Property taxes, levied for general purposes					\$ 5,748,647
Property taxes, levied for building purposes					821,464
Property taxes, levied for sinking fund purposes					3,869,226
General Taxes					2,970,490
Investment Earnings					650,233
State Aid - Noncategorical					10,662,468
Gain or (Loss) on Disposal of Assets					2,797
Miscellaneous					3,369,330
Total General Revenues					\$ 28,094,655
Change in Net Position					\$ 3,517,458
Net Position - Beginning					32,307,271
Net Position - Ending					\$ 35,824,729

See Notes to Financial Statements

ARDMORE SCHOOL DISTRICT NO. I-19
Carter County, Oklahoma
Balance Sheet – Governmental Funds– Regulatory Basis
June 30, 2019

	General Fund	Building Fund	Sinking Fund	CCPFA 2018 Bond Fund 32	Other Governmental Funds	Total
Assets						
Cash and Cash Investments	\$ 2,786,085	\$ 1,728,337	\$ 3,623,475	\$ -	\$ 6,977,309	\$ 15,115,206
Restricted Cash	-	-	-	26,892,683	128,999	27,021,682
Investments	-	-	-	-	37,666	37,666
Total Assets	\$ 2,786,085	\$ 1,728,337	\$ 3,623,475	\$ 26,892,683	\$ 7,143,974	\$ 42,174,554
Liabilities						
Warrants Outstanding	\$ 1,343,303	\$ 45,374	\$ -	\$ -	\$ 243,516	\$ 1,632,193
Reserve for Encumbrances	66,931	11,290	-	-	58	78,279
Total Liabilities	\$ 1,410,234	\$ 56,664	\$ -	\$ -	\$ 243,574	\$ 1,710,472
Fund Balances						
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ 51,166	\$ 51,166
Restricted	345,993	1,649,924	3,623,475	26,495,213	6,385,649	38,500,254
Committed	-	-	-	-	399,464	399,464
Assigned	-	21,749	-	397,470	64,121	483,340
Unassigned	1,029,858	-	-	-	-	1,029,858
Total Fund Balances	\$ 1,375,851	\$ 1,671,673	\$ 3,623,475	\$ 26,892,683	\$ 6,900,400	\$ 40,464,082
Total Liabilities and Fund Balances	\$ 2,786,085	\$ 1,728,337	\$ 3,623,475	\$ 26,892,683	\$ 7,143,974	

Amounts reported for governmental activities in the statement of net assets are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the fund. The costs of assets is \$88,770,807 and the accumulated depreciation is \$41,355,160.

47,415,647

Long-term capital lease and bond payable obligations are not due and payable in the current period and accordingly are not reported as fund liabilities. Long-term liabilities at year-end consist of:

Bond Payable:	10,865,000
Capital Lease Payable:	<u>41,190,000</u>

(52,055,000)

Net position of governmental activities.

\$ 35,824,729

See Notes to Financial Statements

ARDMORE SCHOOL DISTRICT NO. I-19
Carter County, Oklahoma
Statement of Revenues, Expenditures and Changes in Fund
Balances – Governmental Funds– Regulatory Basis
For the Year Ended June 30, 2019

	General Fund	Building Fund	Sinking Fund	CCPFA 2018 Bond Fund 32	Other Governmental Funds	Total
REVENUE						
Property Taxes	\$ 5,761,787	\$ 821,464	\$ 3,869,226	\$ -	\$ -	10,452,477
Interest	62,047	21,749	57,150	397,470	75,565	613,981
County Revenue	634,770	-	-	-	680,638	1,315,408
State Revenue	13,437,299	-	-	-	390,855	13,828,154
Federal Revenue	2,467,064	-	-	-	1,373,048	3,840,112
Other	950,592	1,030,298	368	2,959,779	3,562,163	8,503,200
Total Revenue	\$ 23,313,559	\$ 1,873,511	\$ 3,926,744	\$ 3,357,249	\$ 6,082,269	\$ 38,553,332
EXPENDITURES						
Current						
Instruction	\$ 13,445,870	\$ -	\$ -	\$ -	\$ 649,047	\$ 14,094,917
Support Services	10,090,517	939,106	-	866,525	752,795	12,648,943
Non-instruction Services	105,842	-	-	-	2,133,295	2,239,137
Capital Outlay	15,708	359,832	-	2,854,541	5,220,533	8,450,614
Other Outlays	395,956	2,100	473	-	207,622	606,151
Debt Service						
Principal Payment	-	-	2,605,000	-	-	2,605,000
Interest Paid	-	-	99,470	-	-	99,470
Total Expenditures	\$ 24,053,893	\$ 1,301,038	\$ 2,704,943	\$ 3,721,066	\$ 8,963,292	\$ 40,744,232
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ (740,334)	\$ 572,473	\$ 1,221,801	\$ (363,817)	\$ (2,881,023)	\$ (2,190,900)
Adjustments to Prior Year Encumbrances	9,095	4,500	-	-	-	13,595
Other Financing Sources						
Transfers	\$ -	\$ (4,500)	\$ -	\$ 1,500	\$ 3,000	\$ -
Proceeds of Bonds	-	-	-	27,255,000	5,715,000	32,970,000
Total Other Financing Sources	\$ -	\$ (4,500)	\$ -	\$ 27,256,500	\$ 5,718,000	\$ 32,970,000
Net Change in Fund Balances	\$ (731,239)	\$ 572,473	\$ 1,221,801	\$ 26,892,683	\$ 2,836,977	\$ 30,792,695
Fund Balances - Beginning	2,107,090	1,099,200	2,401,674	-	4,063,423	9,671,387
Fund Balances - Ending	\$ 1,375,851	\$ 1,671,673	\$ 3,623,475	\$ 26,892,683	\$ 6,900,400	\$ 40,464,082

See Notes to Financial Statements

ARDMORE SCHOOL DISTRICT NO. I-19
Carter County, Oklahoma
Reconciliation of Statement of Revenues, Expenditures and Changes in Fund
Balances – Governmental Funds – Regulatory Basis to the Statement of Activities – Regulatory Basis
For the Year Ended June 30, 2019

*Amounts reported for governmental activities
in the statement of activities are different because:*

Net change in fund balances - total governmental funds \$ 30,792,695

Governmental funds report capital outlays as expenditures. However, in the statement of activities the costs of those assets are allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation expense exceeded capital outlays in the current period.

Capital Outlay	\$ 3,724,564	
Depreciation Expense	<u>(2,108,398)</u>	1,616,166

The net effect of various miscellaneous transactions involving capital assets (I.e., sales, trade-ins, disposals and donations) is to decrease net position.

(11,403)

Bond proceeds are reported as financing sources in governmental funds and thus contribute to the change in fund balance. However, in the statement of net position issuing debt increases long term liabilities and does not affect the statement of activities. Similarly, repayment of principal is an expenditure in the governmental funds but reduces the liability in the statement of net position.

Debt repayments this year exceeds debt issued:

Debt Issued	(32,970,000)	
Debt Repayments	<u>2,605,000</u>	(30,365,000)

The repayment of the principal on capital leases consumes current financial resources of government funds. However this transaction does not have an effect on net position.

1,485,000

Change in net position of governmental activities \$ 3,517,458

See Notes to Financial Statements

ARDMORE SCHOOL DISTRICT NO. I-19
Carter County, Oklahoma
Notes to Financial Statements
June 30, 2019

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Ardmore School District No. I-19, Carter County, Oklahoma (the “District”) is a corporate body for public purposes created under Title 70 of the Oklahoma Statutes and accordingly is a separate entity for operating and financial reporting purposes. The District is part of the public school system of Oklahoma under the general direction and control of the State Board of Education and is financially dependent on the state of Oklahoma for support. The general operating authority for the public school system is the Oklahoma School Code contained in Title 70, Oklahoma Statutes.

The Reporting Entity

The governing body of the District is the Board of Education composed of elected members. The superintendent is the executive officer of the Board of Education and the administrative head of the District.

Financial Statement Presentation

The District prepares its financial statements in a presentation format that is, in substance, the format established by the Governmental Accounting Standards Board (GASB) Statement No. 34, *Basic Financial Statement-Management’s Discussion and Analysis-for State and Local Governments*.

GASB Statement No. 34 established a financial reporting model for state and local governments that included the addition of management’s discussion and analysis, government-wide financial statements, required supplementary information and the elimination of the effects of internal service activities and the use of account groups to the already required fund financial statements and notes.

Government-Wide and Fund Financial Statements

The District’s basic financial statements include both government-wide (reporting the District as a whole) and fund financial statements (reporting the District’s major funds). Both government-wide and fund financial statements categorize primary activities as either governmental or business type. Governmental activities include programs primarily supported by taxes, State aid, grants and other intergovernmental revenue. The District does not have any activities classified as business-type. The government-wide focus is more on the sustainability of the District as an entity and the change in the District’s net position resulting from current year’s activities.

Government-Wide Financial Statements: In the government-wide Statement of Net Position-regulatory basis, the District’s governmental activities are reported on cash receipts and disbursement basis modified as required by regulations of the Oklahoma Department of Education to include fixed assets, long-term debt and obligations. The District’s net position is reported in three parts: net investment in capital assets, restricted net position and unrestricted net position.

ARDMORE SCHOOL DISTRICT NO. I-19
Carter County, Oklahoma
Notes to Financial Statements
June 30, 2019

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The government-wide Statement of Activities – regulatory basis reports both the gross and net cost of each of the District’s programs and functions. The functions are also supported by general government revenues. The Statement of Activities – regulatory basis reduces gross expenses (including depreciation) by related program revenues, operating and capital grants. *Direct expenses* are those that are clearly identifiable with a specific function. *Program revenues* include 1) charges to students, faculty, individuals, or other school districts that purchase, use, or directly benefit from goods, services, or privileges provided by a given function and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes, interest, transfers and other items not properly included among program revenues are reported instead as *general revenues*.

All interfund transactions are eliminated in the government-wide statements.

Fund Financial Statements: Governmental fund financial statements are reported using the cash receipts and disbursements basis of accounting modified as required by the Oklahoma Department of Education to include investments and inventories on hand, encumbrances issued and warrants outstanding. The fund financial statements provide reports on the financial condition and results of operations of governmental fund categories.

The District reports the following major governmental funds:

General Fund is the primary operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund.

Building Fund is used to account for resources restricted by statutes for ad valorem taxes designated for repair, maintenance, acquisition and construction of buildings.

Debt Service Fund – The District accounts for the accumulation of funds for the periodic payment of general long-term debt in this fund.

CCPFA 2018 Bond Fund 32 – is used to account for proceeds from long-term financing and revenues and expenditures related to authorized construction and other capital asset acquisitions.

ARDMORE SCHOOL DISTRICT NO. I-19
Carter County, Oklahoma
Notes to Financial Statements
June 30, 2019

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Additionally, the District reports the following fund types included in the Other Governmental Funds column:

Special Revenue Funds – The District accounts for resources restricted or committed to specific purposes other than debt service or capital projects where the foundation for the fund is those resources or if the fund is legally mandated in special revenue funds.

Capital Project Funds -- The proceeds from long-term financing and revenues and expenditures related to authorized construction and other capital asset acquisitions are accounted for in a capital projects fund.

Permanent Fund – The District reports resources that are restricted to the extent that only earnings, and not principal, may be used to support the District’s programs in this fund.

Basis of Accounting

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied.

As to the basis of accounting, the basic financial statements are essentially prepared on a basis of cash receipts and disbursements modified as required by the regulations of the Oklahoma Department of Education as follows:

- Encumbrances represented by purchase orders, contracts, and other commitments for the expenditure of monies and are recorded as expenditures when approved.
- Vendor obligations due and payable for goods and services received are recorded as a payable until paid.
- Warrants/Checks payable are recorded as liabilities when issued.
- Investments and inventories are recorded as assets when purchased and reduced when used.
- Capital assets in the government-wide statements are recorded when acquired and depreciated over their useful lives.
- Long-term debt reported in the government-wide statements is recorded when incurred.
- Accrued compensated absences are recorded as an expenditure and liability when the obligation is incurred.

ARDMORE SCHOOL DISTRICT NO. I-19
Carter County, Oklahoma
Notes to Financial Statements
June 30, 2019

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

This regulatory basis of accounting differs from accounting principles generally accepted in the United States of America, which would have required the government-wide financial statements as well as the fiduciary fund financial statements to be presented on the accrual basis of accounting. The fund financial statements under accounting principles generally accepted in the United States of America would have been presented on the modified accrual basis of accounting. These financial statements are presented on the basis of accounting described above.

Deposits and Investments

The District's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. Collateral in the form of obligations of the U.S. government or its agencies, municipalities or the State of Oklahoma is required for demand deposits and certificates of deposit for all amounts not covered by federal depository insurance.

Permissible investments include direct obligations of the United States government and agencies; certificates of deposit of savings and loan associations, and bank and trust companies; and savings accounts or savings certificates of savings and loan associations, banks and trust companies.

Investments for the District are reported at historical value. The investments held by the District as equity securities were donated.

Inventories

The value of consumable inventories at June 30, 2019 is not material to the financial statements. On the government-wide financial statements, United States Department of Agriculture (USDA) food commodities are recorded as revenue at fair value as of the date of receipt and as an expense when used. USDA food commodities are not reported in the governmental funds.

Capital Assets

Capital assets, which include land, land improvements, buildings, buses and vehicles, machinery and equipment, and construction in progress, are reported in the applicable governmental activities columns in the government-wide financial statements. Capital assets

ARDMORE SCHOOL DISTRICT NO. I-19
 Carter County, Oklahoma
 Notes to Financial Statements
 June 30, 2019

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

are defined by the government as assets with an initial individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Property, plant, and equipment of the District, is depreciated using the straight-line method over the following estimated useful lives.

<u>Assets</u>	<u>Years</u>
Land Improvements	15
Buildings	20 – 40
Buses & Vehicles	5 – 10
Machinery and Equipment	3 – 10

Net Position

When the District incurs an expense for which it may either use restricted or unrestricted net position, it uses restricted net position first unless unrestricted net position will have to be returned because they are not used.

Net assets on the Statement of Net Position – Regulatory Basis include the following:

Net Investment in Capital Assets, – The component of net position that reports the difference between capital assets less both accumulated depreciation and the outstanding balance of debt that is directly attributable to the acquisition, construction and improvement of these capital assets.

Restricted for Building Services – The component of net position that reports the excess of property taxes and other revenues collected in excess of expenses for operation of the District’s buildings. This amount is restricted by Oklahoma Statutes.

Restricted for Child Nutrition – The component of net position that report the assets restricted for use by the Child Nutrition program.

Restricted for Debt Service – The component of net position that report the assets restricted for payment of principal and interest on general long-term debt.

ARDMORE SCHOOL DISTRICT NO. I-19

Carter County, Oklahoma
Notes to Financial Statements
June 30, 2019

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Restricted for Instructional Materials and Technology – The component of net position that report the excess of sales tax restricted for technology and instructional materials by voters.

Restricted for Alternative Education – The component of net position that report the assets restricted for alternative education programs.

Restricted for School Organizations – The component of net position that report the assets restricted for use by student organizations and extracurricular activities. This amount is restricted by Oklahoma Statutes.

Restricted for Scholarships – The component of net position that report the assets restricted for scholarships.

Unrestricted – The difference between assets and liabilities that is not reported as restricted for any other purposes.

Fund Equity

The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the District is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

- Nonspendable: This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) are legally or contractually required to be maintained intact. The District has classified the original funds donated in the Endowment Fund as being nonspendable as these amounts are legally required to be maintained intact.
- Restricted: This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation. The District has classified amounts restricted by state statute, donors and external grantors in this classification.
- Committed: This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the Board of Education. These amounts cannot be used for any other purpose unless the Board of Education removes or changes the specified use by taking the same type of action (resolution) that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements. The District has classified school organization activities as being committed because their use is governed by Board of Education action.

ARDMORE SCHOOL DISTRICT NO. I-19
Carter County, Oklahoma
Notes to Financial Statements
June 30, 2019

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

- **Assigned:** This classification includes amounts that are constrained by the District's intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the Board of Education or through the Board of Education delegating this responsibility to the superintendent through the budgetary process. This classification also includes the remaining positive fund balance for all governmental funds except for the General Fund. The District has assigned funds for interest earnings to the special revenue funds and capital project funds where earned by the budgetary process.
- **Unassigned:** This classification includes the residual fund balance for the General Fund. The Unassigned classification also includes negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting of Assigned fund balance amounts.

As of June 30, 2019, fund balances are comprised of the following:

	General Fund	Building Fund	Sinking Fund	CCPFA 2018 Bond Fund 32	Other Governmental Funds	Total Governmental Funds
Nonexpendable						
Endowment	\$ -	\$ -	\$ -	\$ -	\$ 51,166	\$ 51,166
Restricted						
Debt Service	-	-	3,623,475	-	-	3,623,475
Building Operation and Maintenance	-	1,649,924	-	-	-	1,649,924
Alternative Education	-	-	-	-	79,193	79,193
State and Private Grants	345,993	-	-	-	-	345,993
Child Nutrition	-	-	-	-	534,218	534,218
Instructional Materials and Technology	-	-	-	-	559,810	559,810
School Facilities	-	-	-	26,495,213	5,185,799	31,681,012
Scholarships	-	-	-	-	26,629	26,629
Committed						
School Organizations	-	-	-	-	399,464	399,464
Assigned						
Building Operation and Maintenance	-	21,749	-	-	-	21,749
Alternative Education	-	-	-	-	1,054	1,054
Child Nutrition	-	-	-	-	12,100	12,100
Instructional Materials and Technology	-	-	-	-	7,195	7,195
School Facilities	-	-	-	397,470	43,558	441,028
Scholarships	-	-	-	-	214	214
Outstanding encumbrances	-	-	-	-	-	-
Unassigned	1,029,858	-	-	-	-	1,029,858
	<u>\$ 1,375,851</u>	<u>\$ 1,671,673</u>	<u>\$ 3,623,475</u>	<u>\$ 26,892,683</u>	<u>\$ 6,900,400</u>	<u>\$ 40,464,082</u>

The District would typically use restricted fund balances first, followed by committed resources, and then assigned resources as appropriate opportunities arise, but reserves the right to selectively spend unassigned resources first to defer the use of these other classified funds.

Property Tax Revenues

The District is authorized by state law to levy property taxes which consist of ad valorem taxes on real and personal property within the District. The County Assessor, upon receipt of the certification of tax levies from the county excise board, extends the tax levies on the tax roll for submission to the county treasurer prior to October 1. The county treasurer must commence tax collection within fifteen days of receipt of the tax rolls. The taxes are due one-half prior to January 1 and the balance prior to April 1. If the first payment is not made timely, the entire tax becomes due and payable on January 1. Second half taxes become delinquent on April 1 of the year following the year of assessment.

ARDMORE SCHOOL DISTRICT NO. I-19

Carter County, Oklahoma
Notes to Financial Statements
June 30, 2019

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property Tax Revenues (Continued)

If not paid by the following October 1, the property is offered for sale for the amount of taxes due. The owner has two years to redeem the property by paying the taxes and penalty owned. If at the end of the two years the owner has not done so, the purchaser is issued a deed to the property.

State Revenues

Revenues from state sources for current operations are primarily governed by the state aid formula under the provisions of Article XVIII, Title 70, Oklahoma Statutes. The State Board of Education administers the allocation of state aid funds to school districts based on information accumulated from the districts. Approximately 38% of the District's revenue comes from state sources.

After review and verification of reports and supporting documentation, the State Department of Education may adjust subsequent fiscal period allocations of money for prior year errors disclosed by review. Normally, such adjustments are treated as reductions or additions of revenue of the year when the adjustment is made.

The District receives revenue from the state to administer certain categorical educational programs. State Board of Education rules require that revenue earmarked for these programs be expended only for the program for which the money is provided and require that the money not expended as of the close of the fiscal year be carried forward into the following year to be expended for the same categorical programs.

II. BUDGETARY INFORMATION

The District is required by law to prepare an annual budget. No later than October 1, each Board of Education shall prepare a financial statement and estimate of needs to be filed with the applicable county clerk and the State Department of Education. Once the county excise board has approved the estimate of needs, the Board shall adopt a final budget within 45 days or the second regularly scheduled board meeting. No later than 15 days prior to adoption of a final budget, the Board must conduct a public hearing for purposes of taking public comments.

A final budget may be revised upon approval of the Board of Education in open meeting.

A budget is legally adopted for the General Fund, Building Fund, Child Nutrition Fund, Coop Fund and Sinking Fund that includes revenue and expenditures. Budgets generally assume the expenditure of all available resources. Therefore, when the legal budget is prepared, it is assumed these funds will not have a carryover balance to a subsequent year. Program revenue received but not spent is restricted and deferred to a subsequent fiscal year.

ARDMORE SCHOOL DISTRICT NO. I-19
Carter County, Oklahoma
Notes to Financial Statements
June 30, 2019

III. DEPOSITS AND INVESTMENTS

Custodial Credit Risk - Custodial credit risk for deposits is the risk that in the event of a bank failure, the District's deposits may not be returned or the District will not be able to recover collateral securities in the possession of an outside party. The District's policy requires collateral for demand deposits and certificates of deposit for all amounts not covered by federal deposit insurance. As of June 30, 2019, cash deposits and investments were fully insured or collateralized by a pledging bank's agent in the District's name.

Investment - The District's investment of \$37,666 at June 30, 2019, represents equity securities valued at historical value that were donated to the District. These securities are uninsured and exposed to the risk that in the event of the failure of the counterparty, the District will not be able to recover the value of the investment.

IV. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2019 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
<i>Government Activities:</i>				
<i>Capital assets, not being depreciated</i>				
Land	\$ 442,650	\$ -	\$ -	\$ 442,650
Construction in progress	167,157	2,247,707	215,354	2,199,510
Total capital assets, not being depreciated	<u>\$ 609,807</u>	<u>\$ 2,247,707</u>	<u>\$ 215,354</u>	<u>\$ 2,642,160</u>
<i>Capital assets, being depreciated</i>				
Land Improvements	\$ 3,571,184	\$ 27,540	\$ -	\$ 3,598,724
Buildings	73,917,792	303,602	28,536	74,192,858
Buses and Vehicles	3,378,186	701,738	374,416	3,705,508
Machinery and Equipment	4,182,081	659,331	209,855	4,631,557
Total capital assets, being depreciated	<u>\$ 85,049,243</u>	<u>\$ 1,692,211</u>	<u>\$ 612,807</u>	<u>\$ 86,128,647</u>
Less Accumulated Depreciation	<u>39,848,166</u>	<u>2,108,398</u>	<u>601,404</u>	<u>41,355,160</u>
Total capital assets, being depreciated, net	<u>\$ 45,201,077</u>	<u>\$ (416,187)</u>	<u>\$ 11,403</u>	<u>\$ 44,773,487</u>
Governmental activities capital assets, net	<u>45,810,884</u>	<u>1,831,520</u>	<u>226,757</u>	<u>47,415,647</u>
Total Primary Government	<u>\$ 45,810,884</u>	<u>\$ 1,831,520</u>	<u>\$ 226,757</u>	<u>\$ 47,415,647</u>

Depreciation expense was charged to functions/programs of the District as follows:

Government activities:	
Instruction	\$ 17,974
Support	2,069,622
Non-Instruction	<u>20,802</u>
Total depreciation expense - governmental activities	<u>\$ 2,108,398</u>

ARDMORE SCHOOL DISTRICT NO. I-19
Carter County, Oklahoma
Notes to Financial Statements
June 30, 2019

V. LONG-TERM DEBT

Long-term liability activity for the year ended June 30, 2019, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due within One Year</u>
Capital Leases	\$ 15,420,000	\$ 27,255,000	\$ 1,485,000	\$ 41,190,000	\$ 1,585,000
General Obligation Debt	<u>7,755,000</u>	<u>5,715,000</u>	<u>2,605,000</u>	<u>10,865,000</u>	<u>3,255,000</u>
Total Governmental Activity Long-Term Liabilities	<u>\$ 23,175,000</u>	<u>\$ 32,970,000</u>	<u>\$ 4,090,000</u>	<u>\$ 52,055,000</u>	<u>\$ 4,840,000</u>

The District has entered financing arrangements with the Carter County Public Facilities Authority (see Note X). These financing arrangements are accounted for as capital leases, since for accounting purposes the title transfers at the end of lease term. The leases contain a clause which gives the District the ability to terminate the lease agreements at the end of each fiscal year.

The schedule of future minimum lease payments under the capital leases and the present value of the net minimum lease payments for years ending June 30th are as follows:

<u>Year Ended June 30,</u>	<u>Amount Due</u>
2020	\$ 3,394,356
2021	3,435,744
2022	3,491,025
2023	3,534,850
2024	3,589,038
Thereafter	40,300,381
Less: Interest	<u>(16,555,394)</u>
Total	\$ 41,190,000

Leased construction in progress, buildings and equipment under capital leases in capital assets at June 30, 2019, included the following:

<i>Capital assets, not being depreciated</i>	
Construction in Progress	\$ 2,199,510
<i>Capital assets, being depreciated</i>	
Buildings	\$ 17,679,257
Land Improvements	53,867
Machinery & Equipment	6,747
less Accumulated Depreciation	<u>(1,269,196)</u>
	<u>\$ 18,670,185</u>

ARDMORE SCHOOL DISTRICT NO. I-19
Carter County, Oklahoma
Notes to Financial Statements
June 30, 2019

V. LONG-TERM DEBT (Continued)

Bonds Payable at June 30, 2019 is composed of the following individual general obligation bond issues:

	Amount Outstanding
Independent School District, I-19 General Obligation Building Bonds of 2018, original issue \$1,935,000, interest rates of 2.50%, due in an annual installment of \$1,935,000 on 7/1/20	\$ 1,935,000
Independent School District, I-19 General Obligation Combined Purpose Bonds of 2019, original issue \$3,780,000, interest rates of 2.20%, due in annual installments of \$3,780,000 on 6/2/21	3,780,000
Independent School District, I-19 General Obligation Combined Purpose Bonds of 2018, original issue \$3,075,000, interest rates of 2.75%, due in an annual installment of \$1,180,000 and \$1,895,000; the final installment due on 3/1/21	3,075,000
Independent School District, I-19 General Obligation Building Bonds of 2017, original issue \$2,075,000, interest rates of 1.65%, due in an annual installment of \$2,075,000 on 2/1/20	2,075,000
	\$ 10,865,000

As of June 30, 2019, the annual requirements to amortize all bond debt outstanding, including interest payments, are as follows:

Year Ended June 30,	Principal	Interest	Total
2020	\$ 3,255,000	\$ 286,523	\$ 3,541,523
2021	7,610,000	232,022	7,842,022
Total	\$ 10,865,000	\$ 518,545	\$11,383,545

State statute prohibits the District from becoming indebted in an amount exceeding the revenue to be received for any fiscal year without approval by the District's voters. Bond issues have been approved by the voters and issued by the District for various capital improvements. These bonds are required to be fully paid serially within 25 years from the date of issue. General obligation bonded debt of the District is limited by state law to 10% of the assessed valuation of the District. The legal debt limit at June 30, 2019 is approximately \$16,065,000.

ARDMORE SCHOOL DISTRICT NO. I-19
Carter County, Oklahoma
Notes to Financial Statements
June 30, 2019

V. LONG-TERM DEBT (Continued)

Pledged Revenues

The District has pledged \$24,900,000 of future issuances of general obligation bonds to repay \$19,700,000 plus interest lease revenue bonds with Carter County Public Facilities Authority (CCPFA) lease revenue bonds of 2013. Proceeds from the lease revenue bonds are to be for the construction and placement of improvements on real property. The general obligation bonds will be issued prior to the payment due of the lease purchase payments to Carter County Public Facilities Authority. One hundred percent of the general obligation bonds will be used to pay the lease revenue bond payments and bond issuance costs. The annual payments started September 1, 2015 and will continue with final payment due to CCPFA on September 1, 2026.

The District has pledged \$44,165,000 of future issuances of general obligation bonds to repay \$27,255,000 plus interest lease revenue bonds with Carter County Public Facilities Authority (CCPFA) lease revenue bonds of 2018. Proceeds from the lease revenue bonds are to be for the construction and placement of improvements on real property. The general obligation bonds will be issued prior to the payment due of the lease purchase payments to Carter County Public Facilities Authority. One hundred percent of the general obligation bonds will be used to pay the lease revenue bond payments and bond issuance costs. The annual payments start on September 1, 2019 and will continue with final payment due to CCPFA on September 1, 2033.

Property tax revenues collected by the District are pledged to repay the District's General Obligation Bonds. As of June 30, 2019, \$10,865,000 general obligations were outstanding and \$56,550,000 of general obligations bonds were authorized but not issued. Current year had collected \$3,869,226 of pledged revenues and paid \$2,704,943 of principal and interest expense toward obligations.

VI. EMPLOYEE RETIREMENT SYSTEM

Teachers' Retirement System of Oklahoma

Plan Description - The District contributes to the state-administered Oklahoma Teachers' Retirement System ("TRS"), a cost-sharing, multiple-employer public employee retirement system. The System is administered by a board of trustees. TRS provides retirement, disability and death benefits to plan members and beneficiaries. Oklahoma State Statute 70-17 assigns the authority to establish and amend benefit provisions to the TRS Board of Trustees. The System issues a publicly available report that includes financial statements and required supplementary information for TRS. That report may be obtained by contacting the Oklahoma Teachers' Retirement System.

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June 30, 2019

Benefits Provided – The System provides defined retirement benefits based on members' final compensation, age, and term of service. In addition, the retirement program provides for benefits upon disability and to survivors upon the death of eligible members. Title 70 O.S. Sec. 17-105 defines all retirement benefits. The authority to establish and amend benefit provisions rests with the State Legislature.

Funding Policy – Under the System, contributions are made by the District, the State of Oklahoma, and participating employees. Participation is required for all teachers and other certified employees and is optional for all other regular employees of public educational institutions who work at least 20 hours per week.

Contributions – In accordance with *Oklahoma Statutes*, System members are required to contribute 7.00% of applicable compensation. For the year ended June 30, 2019, qualifying employee contributions were reduced by a retirement credit of \$133,839 provided by Enrolled House Bill 1873 and paid by the State of Oklahoma as on-behalf payments. For the year ended June 30, 2019, the District had a statutory contribution rate of 9.5% plus 7.70% as a match for salaries funded by federal programs. The contribution requirements of System members and the District are established and may be amended by the state legislature.

The District's contributions to TRS (net of retirement credit paid by the State of Oklahoma) for the years ended June 30, 2019, 2018 and 2017 were \$1,765,219, \$1,579,265 and \$1,522,845, respectively, equal to the required contributions for each year.

Pension plan fiduciary net position – Detailed information about the pension plan's fiduciary net position is available in the separately issued TRS financial report that can be obtained at <http://www.ok.gov/trs/>.

VII. OTHER POST EMPLOYMENT BENEFITS (OPEB)

In addition to the retirement plan described in Note VI, the District participates in the state-administered Supplemental Health Insurance Program (OPEB Plan) within Teachers' Retirement System of Oklahoma (the OPEB System), which is a cost-sharing multiple-employer defined benefit OPEB plan administered by the Teacher Retirement System (TRS).

Plan Description – The OPEB System pays a monthly health insurance premium supplement for each retired member who is enrolled in the health insurance plan provided by the State and Education Employees Group Health and Dental Insurance plan or in an insurance program provided by a participating education employer who provides health insurance coverage to former employees, provided the retired member had at least ten (10) years of Oklahoma service prior to retirement.

Benefits Provided – All retirees are eligible except for special retirees (as defined) and spouses and beneficiaries as long as they have at least 10 years of service. Retirees who elect such coverage receive the smaller of (i) a Medicare supplement benefit, if eligible, or (ii) an amount

ARDMORE SCHOOL DISTRICT NO. I-19

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Notes to Financial Statements
June 30, 2019

between \$100 and \$105 per month, depending on service and final average compensation. Payments made on the retirees' behalf to the Employees Group Insurance Division of the Office of Management and Enterprise Services, if the member continues health coverage under that Plan, or (ii) to the member's former employer, if the member retains health coverage under a plan maintained by the former employer.

Contributions – Employer and employee contributions are made based upon the TRS Plan provisions contained in State Statute Title 70, as amended. However, the statutes do not specify or identify any particular contribution source to pay the health insurance subsidy. The cost of the subsidy averages 0.007% of normal cost, as determined by an actuarial valuation.

OPEB plan fiduciary net position – Detailed information about the OPEB plan's fiduciary net position is available in the separately issued TRS financial report that can be obtained at <http://www.ok.gov/trs/>.

VIII. COMMITMENTS AND CONTINGENCIES

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the District expects such amounts, if any, to be immaterial.

The District is a defendant in lawsuits. Although the outcome of these lawsuits is not presently determinable, the District believes the resolution of these matters will not have a material adverse effect on the financial condition of the District. Should a judgment be awarded against the District, it would be levied through the District's sinking fund over a three-year period pursuant to state law.

The District entered into several construction-related contracts during the fiscal year, which include additions, new construction, and remodeling of school buildings. As of June 30, 2019, the District had outstanding construction-related commitments totaling \$4,597,957 that will be financed from proceeds from CCPFA 2018 Bond Fund 32.

Subsequent to June 30, 2019, the District entered into \$26,784 of construction-related projects to be financed from Bond fund 36 and CCPFA 2018 Bond Fund 32.

IX. RISK MANAGEMENT

The District is exposed to various risks of loss related to torts, theft, damage and destruction of assets, errors and omission, injuries to employees, life and health of employees, and natural disasters for which the District purchases commercial insurance. There have been no significant reductions in coverage from prior year and settlements have not exceeded coverage in the past three years.

ARDMORE SCHOOL DISTRICT NO. I-19
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Notes to Financial Statements
June 30, 2019

X. LEASE REVENUE BOND AGREEMENTS

On September 1, 2013, the Board of Education entered into ground lease and sublease agreements with the Carter County Public Facilities Authority (CCPFA), a public trust, for the purpose of facilitating the issuance of the bonds, to provide security for payment of the bonds, and to enable the District to utilize the bond proceeds for the construction and placement of improvements on real property. The lease agreements will remain in effect to June 30, 2027. The Authority advanced \$19,700,000 in lease revenue bonds, series 2013, to the District for the acquisition and construction of buildings and improvements. The District will use money received from General Obligation Debt to repay the lease. The advanced funds are being held in a trust and District remits applications for payments. The capital assets acquired and constructed have been shown as capital assets on the District's statement of net position. The remaining balance of the advanced fund is reported as Restricted Cash in CCPFA 2013 Bond Fund 30 on Balance Sheet of Governmental Funds and on the Statement of Net Position.

On August 1, 2018, the Board of Education entered into ground lease and sublease agreements with the Carter County Public Facilities Authority (CCPFA), a public trust, for the purpose of facilitating the issuance of the bonds, to provide security for payment of the bonds, and to enable the District to utilize the bond proceeds for the construction and placement of improvements on real property. The lease agreements will remain in effect to June 30, 2034. The Authority advanced \$27,255,000 in lease revenue bonds, series 2018, to the District for the acquisition and construction of buildings and improvements. The District will use money received from General Obligation Debt to repay the lease. The advanced funds are being held in a trust and District remits applications for payments. The capital assets acquired and constructed have been shown as capital assets on the District's statement of net position. The remaining balance of the advanced fund is reported as Restricted Cash in CCPFA 2018 Bond Fund 32 on Balance Sheet of Governmental Funds and on the Statement of Net Position.

XI. TAX ABATEMENT

The State of Oklahoma has authorized by the Oklahoma State Statutes Title 31 to offer homestead and Veterans exemptions to Ad Valorem property taxes. These exemptions reduce the ad valorem taxes remitted to the District.

The State of Oklahoma has authorized by Oklahoma Statutes 62-850 the creation of tax increment financing (TIF) districts. These districts are intended to provide incentives and exemptions from taxation within certain areas to encourage investment, development and economic growth. The District is subject to tax abatements granted by the City of Ardmore. The City of Ardmore created TIF District #2 in May 2003, amended the project plan in August 2016, and projected the TIF to terminate December 31, 2021. The purpose of TIF District #2 is to develop the Ardmore Commons, Ardmore Family Entertainment Center, Market Street Shopping Center, and surrounding areas. This TIF district reduces the ad valorem taxes remitted to the District over the term of the agreement.

ARDMORE SCHOOL DISTRICT NO. I-19
Carter County, Oklahoma
Notes to Financial Statements
June 30, 2019

For the year ended June 30, 2019, abated property taxes were \$1,741,381.

XIII. SUBSEQUENT EVENTS

In December 2019, the Board of Education approved the sale of \$3,825,000 General Obligation Combined Purpose Bonds; the proceeds were received by the District on January 30, 2020. The purpose of these bonds were to provide \$300,000 proceeds for the Transportation series bonds, \$2,075,000 proceeds for the 2013 CCPFA lease payment, and \$1,450,000 proceeds for the 2018 CCPFA lease payment.

The District has evaluated subsequent events through March 23, 2020, the date which the financial statements were available to be issued.

OTHER INFORMATION

ARDMORE SCHOOL DISTRICT NO. I-19
Carter County, Oklahoma
Budgetary Comparison Schedule –General Fund (Unaudited)
For the Year Ended June 30, 2019

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance With Final Budget
	Original	Final		
REVENUE				
Property Taxes	\$ 5,232,975	\$ 5,568,689	\$ 5,761,787	\$ 193,098
Interest	19,823	19,823	62,047	42,224
County Revenue	558,832	558,832	634,770	75,938
State Revenue	13,252,854	13,252,854	13,437,299	184,445
Federal Revenue	2,478,091	2,478,091	2,467,064	(11,027)
Other	<u>543,066</u>	<u>543,066</u>	<u>950,592</u>	<u>407,526</u>
Total Revenue	<u>\$ 22,085,641</u>	<u>\$ 22,421,355</u>	<u>\$ 23,313,559</u>	<u>\$ 892,204</u>
EXPENDITURES				
Current				
Instruction	\$ 13,584,706	\$ 13,920,422	13,445,870	\$ 474,552
Support Services	10,106,227	10,106,225	10,106,225	-
Non-instruction Services	105,842	105,842	105,842	-
Other Outlays	<u>395,956</u>	<u>395,956</u>	<u>395,956</u>	<u>-</u>
Total Expenditures	<u>\$ 24,192,731</u>	<u>\$ 24,528,445</u>	<u>\$ 24,053,893</u>	<u>\$ 474,552</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ (2,107,090)	\$ (2,107,090)	\$ (740,334)	\$ 1,366,756
Adjustments to Prior Year Encumbrances	<u>-</u>	<u>-</u>	<u>9,095</u>	<u>9,095</u>
Net Change in Fund Balance	(2,107,090)	(2,107,090)	(731,239)	1,375,851
Fund Balance - Beginning	<u>2,107,090</u>	<u>2,107,090</u>	<u>2,107,090</u>	<u>-</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,375,851</u>	<u>\$ 1,375,851</u>

ARDMORE SCHOOL DISTRICT NO. I-19
Carter County, Oklahoma
Budgetary Comparison Schedule –Building Fund (Unaudited)
For the Year Ended June 30, 2019

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance With Final Budget
	Original	Final		
REVENUE				
Property Taxes	\$ 747,776	\$ 747,776	\$ 821,464	\$ 73,688
Interest	3,664	3,664	21,749	18,085
Other	609,085	609,085	1,030,298	421,213
Total Revenue	<u>\$ 1,360,525</u>	<u>\$ 1,360,525</u>	<u>\$ 1,873,511</u>	<u>\$ 512,986</u>
EXPENDITURES				
Current				
Instruction	\$ -	\$ -	\$ -	\$ -
Support Services	1,082,282	1,082,282	939,106	143,176
Non-instruction Services	-	-	-	-
Capital Outlay	1,375,343	1,375,343	359,832	1,015,511
Other Outlays	2,100	2,100	2,100	-
Total Expenditures	<u>\$ 2,459,725</u>	<u>\$ 2,459,725</u>	<u>\$ 1,301,038</u>	<u>\$ 1,158,687</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,099,200)	(1,099,200)	572,473	1,671,673
Adjustments to Prior Year Encumbrances	-	-	4,500	4,500
Other Financing Sources				
Transfers Out	-	-	(4,500)	(4,500)
Total Other Financing Sources	-	-	(4,500)	(4,500)
Net Change in Fund Balance	(1,099,200)	(1,099,200)	572,473	1,671,673
Fund Balance - Beginning	1,099,200	1,099,200	1,099,200	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,671,673</u>	<u>\$ 1,671,673</u>

ARDMORE SCHOOL DISTRICT NO. I-19
Carter County, Oklahoma
Budgetary Comparison Schedule – Sinking Fund (Unaudited)
For the Year Ended June 30, 2019

	Original and Final Budget	Actual Budgetary Amounts	Variance with Final Budget
REVENUE			
Property Taxes	\$ 3,722,628	\$ 3,869,226	\$ (146,598)
Interest	-	57,150	(57,150)
Other	-	368	(368)
Total Revenue	<u>\$ 3,722,628</u>	<u>\$ 3,926,744</u>	<u>\$ (204,116)</u>
EXPENDITURES			
Debt Service			
Interest Paid	\$ 179,448	\$ 99,943	\$ 79,505
Principal Retirement	3,670,449	2,605,000	1,065,449
Total Expenditures	<u>\$ 3,849,897</u>	<u>\$ 2,704,943</u>	<u>\$ 1,144,954</u>
Net Change in Fund Balance	(127,269)	1,221,801	1,349,070
Fund Balance - Beginning	127,269	2,401,674	2,274,405
Fund Balance - Ending	<u>\$ -</u>	<u>\$ 3,623,475</u>	<u>\$ 3,623,475</u>

ARDMORE SCHOOL DISTRICT NO. I-19
Carter County, Oklahoma
Combining Balance Sheet – Regulatory Basis – Other Governmental Funds
June 30, 2019

	Special Revenue Funds						Total Other	Permanent Fund	Total Other Governmental Funds
	Coop Fund	Child Nutrition Fund	Sales Tax Fund	Gifts Fund	Take II Fund	Activity Fund	Capital Project Funds	Endowment Fund	
Assets									
Cash and Cash Investments	\$ 80,040	\$ 667,769	\$ 597,498	\$ 14,078	\$ 20,379	\$ 426,822	\$ 5,143,708	\$ 27,015	\$ 6,977,309
Restricted Cash	-	-	-	-	-	-	128,999	-	128,999
Investments	-	-	-	-	-	-	-	37,666	37,666
Total Assets	\$ 80,040	\$ 667,769	\$ 597,498	\$ 14,078	\$ 20,379	\$ 426,822	\$ 5,272,707	\$ 64,681	\$ 7,143,974
Liabilities									
Warrants Payable	\$ 20,172	\$ 121,393	\$ 30,493	\$ 750	\$ -	\$ 27,358	\$ 43,350	\$ -	\$ 243,516
Reserve for Encumbrances	-	58	-	-	-	-	-	-	58
Total Liabilities	\$ 20,172	\$ 121,451	\$ 30,493	\$ 750	\$ -	\$ 27,358	\$ 43,350	\$ -	\$ 243,574
Fund Balances									
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 51,166	\$ 51,166
Restricted	58,814	534,218	559,810	13,114	20,379	-	5,185,799	13,515	6,385,649
Committed	-	-	-	-	-	399,464	-	-	399,464
Assigned	1,054	12,100	7,195	214	-	-	43,558	-	64,121
Unassigned	-	-	-	-	-	-	-	-	-
Total Fund Balances	59,868	546,318	567,005	13,328	20,379	399,464	5,229,357	64,681	6,900,400
Total Liabilities and Fund Balances	\$ 80,040	\$ 667,769	\$ 597,498	\$ 14,078	\$ 20,379	\$ 426,822	\$ 5,272,707	\$ 64,681	\$ 7,143,974

ARDMORE SCHOOL DISTRICT NO. I-19
Carter County, Oklahoma
Combining Statement of Revenue, Expenditures and Changes in Fund Balance – Regulatory Basis
– Other Governmental Funds
For the Year Ended June 30, 2019

	Special Revenue Funds						Total Other	Permanent Fund	Total Other Governmental Funds
	Coop Fund	Child Nutrition Fund	Sales Tax Fund	Gifts Fund	Take II Fund	Activity Fund	Capital Project Funds	Endowment Fund	
REVENUE									
Interest	\$ 1,054	\$ 12,100	\$ 7,195	\$ 214	\$ -	\$ 7,187	\$ 43,558	\$ 4,257	\$ 75,565
County Revenue	-	-	680,638	-	-	-	-	-	680,638
State Revenue	165,941	224,914	-	-	-	-	-	-	390,855
Federal Revenue	-	1,373,048	-	-	-	-	-	-	1,373,048
Other	354,032	87,874	-	4,000	65,647	1,001,610	2,049,000	-	3,562,163
Total Revenue	<u>\$ 521,027</u>	<u>\$ 1,697,936</u>	<u>\$ 687,833</u>	<u>\$ 4,214</u>	<u>\$ 65,647</u>	<u>\$ 1,008,797</u>	<u>\$ 2,092,558</u>	<u>\$ 4,257</u>	<u>\$ 6,082,269</u>
EXPENDITURES									
Current									
Instruction	\$ 332,591	\$ -	\$ 122,507	\$ -	\$ 28,621	\$ 165,328	\$ -	\$ -	\$ 649,047
Support Services	199,881	-	48,552	6,250	28,344	362,841	103,577	3,350	752,795
Non-instruction Services	-	1,893,528	-	-	-	239,767	-	-	2,133,295
Capital Outlay	-	73,739	377,469	-	-	-	4,769,325	-	5,220,533
Other Outlays	-	692	-	-	10	206,920	-	-	207,622
Total Expenditures	<u>\$ 532,472</u>	<u>\$ 1,967,959</u>	<u>\$ 548,528</u>	<u>\$ 6,250</u>	<u>\$ 56,975</u>	<u>\$ 974,856</u>	<u>\$ 4,872,902</u>	<u>\$ 3,350</u>	<u>\$ 8,963,292</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(11,445)</u>	<u>(270,023)</u>	<u>139,305</u>	<u>(2,036)</u>	<u>8,672</u>	<u>33,941</u>	<u>(2,780,344)</u>	<u>907</u>	<u>(2,881,023)</u>
Other Financing Sources									
Transfers In	-	-	-	-	-	-	3,000	-	3,000
Proceeds of Bonds	-	-	-	-	-	-	5,715,000	-	5,715,000
Total Other Financing Sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,718,000</u>	<u>-</u>	<u>5,718,000</u>
Net Change in Fund Balances	(11,445)	(270,023)	139,305	(2,036)	8,672	33,941	2,937,656	907	2,836,977
Fund Balances, Beginning	71,313	816,341	427,700	15,364	11,707	365,523	2,291,701	63,774	4,063,423
Fund Balances, Ending	<u>\$ 59,868</u>	<u>\$ 546,318</u>	<u>\$ 567,005</u>	<u>\$ 13,328</u>	<u>\$ 20,379</u>	<u>\$ 399,464</u>	<u>\$ 5,229,357</u>	<u>\$ 64,681</u>	<u>\$ 6,900,400</u>

ARDMORE SCHOOL DISTRICT NO. I-19
Carter County, Oklahoma
Combining Balance Sheet – Regulatory Basis– Other Capital Project Funds
For the Year Ended June 30, 2019

	Capital Projects Funds						Total Other Capital Project Funds
	CCPFA 2013 Bond Fund 30	Bond Fund 31	Bond Fund 36	Bond Fund 37	Bond Fund 38	Bond Fund 39	
Assets							
Cash and Cash Investments	\$ -	\$ 1,405,755	\$ 34,332	\$ 2,093,458	\$ 9,615	\$ 1,600,548	\$ 5,143,708
Restricted Cash	<u>128,999</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>128,999</u>
Total Assets	<u>\$ 128,999</u>	<u>\$ 1,405,755</u>	<u>\$ 34,332</u>	<u>\$ 2,093,458</u>	<u>\$ 9,615</u>	<u>\$ 1,600,548</u>	<u>\$ 5,272,707</u>
Liabilities							
Warrants Payable	\$ -	\$ 14,050	\$ -	\$ 26,300	\$ 3,000	\$ -	\$ 43,350
Total Liabilities	<u>\$ -</u>	<u>\$ 14,050</u>	<u>\$ -</u>	<u>\$ 26,300</u>	<u>\$ 3,000</u>	<u>\$ -</u>	<u>\$ 43,350</u>
Fund Balances							
Restricted	\$ 122,550	\$ 1,390,529	\$ 33,719	\$ 2,061,224	\$ 6,092	\$ 1,571,685	\$ 5,185,799
Assigned	<u>6,449</u>	<u>1,176</u>	<u>613</u>	<u>5,934</u>	<u>523</u>	<u>28,863</u>	<u>43,558</u>
Total Fund Balances	<u>128,999</u>	<u>1,391,705</u>	<u>34,332</u>	<u>2,067,158</u>	<u>6,615</u>	<u>1,600,548</u>	<u>5,229,357</u>
Total Liabilities and Fund Balances	<u>\$ 128,999</u>	<u>\$ 1,405,755</u>	<u>\$ 34,332</u>	<u>\$ 2,093,458</u>	<u>\$ 9,615</u>	<u>\$ 1,600,548</u>	<u>\$ 5,272,707</u>

ARDMORE SCHOOL DISTRICT NO. I-19
Carter County, Oklahoma
Combining Statement of Revenue, Expenditures and Changes in Fund Balance – Regulatory Basis
– Other Capital Project Funds
For the Year Ended June 30, 2019

	Capital Project Funds						Total Other Capital Project Funds
	CCPFA 2013 Bond Fund 30	Bond Fund 31	Bond Fund 36	Bond Fund 37	Bond Fund 38	Bond Fund 39	
REVENUE							
Interest	\$ 6,449	\$ 1,176	\$ 613	\$ 5,934	523	\$ 28,863	\$ 43,558
Other	<u>2,049,000</u>	-	-	-	-	-	<u>2,049,000</u>
Total Revenue	<u>\$ 2,055,449</u>	<u>\$ 1,176</u>	<u>\$ 613</u>	<u>\$ 5,934</u>	<u>\$ 523</u>	<u>\$ 28,863</u>	<u>\$ 2,092,558</u>
EXPENDITURES							
Current							
Support Services	\$ 33,613	\$ 14,471	\$ -	\$ 26,922	\$ 3,090	\$ 25,481	\$ 103,577
Capital Outlay	<u>2,028,766</u>	-	-	<u>2,049,000</u>	<u>353,725</u>	<u>337,834</u>	<u>4,769,325</u>
Total Expenditures	<u>\$ 2,062,379</u>	<u>\$ 14,471</u>	<u>\$ -</u>	<u>\$ 2,075,922</u>	<u>\$ 356,815</u>	<u>\$ 363,315</u>	<u>\$ 4,872,902</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(6,930)</u>	<u>(13,295)</u>	<u>613</u>	<u>(2,069,988)</u>	<u>(356,292)</u>	<u>(334,452)</u>	<u>(2,780,344)</u>
Other Financing Sources							
Transfers In	\$ 3,000	\$ -	\$ -	\$ -	-	\$ -	3,000
Proceeds of Bonds	<u>-</u>	<u>1,405,000</u>	<u>-</u>	<u>2,075,000</u>	<u>300,000</u>	<u>1,935,000</u>	<u>5,715,000</u>
Total Other Financing Sources	<u>3,000</u>	<u>1,405,000</u>	<u>-</u>	<u>2,075,000</u>	<u>300,000</u>	<u>1,935,000</u>	<u>5,718,000</u>
Net Change in Fund Balances	(3,930)	1,391,705	613	5,012	(56,292)	1,600,548	2,937,656
Fund Balances, Beginning	<u>132,929</u>	<u>-</u>	<u>33,719</u>	<u>2,062,146</u>	<u>62,907</u>	<u>-</u>	<u>2,291,701</u>
Fund Balances, Ending	<u>\$ 128,999</u>	<u>\$ 1,391,705</u>	<u>\$ 34,332</u>	<u>\$ 2,067,158</u>	<u>\$ 6,615</u>	<u>\$ 1,600,548</u>	<u>\$ 5,229,357</u>

ARDMORE SCHOOL DISTRICT NO. I-19
Carter County, Oklahoma
Supplemental Schedule
Combining Statement of Assets and Fund Balances – Activity Fund
For the Year Ended June 30, 2019

	Balance 6/30/2018	Receipts	Adjusting Entries	Checks	Balance 6/30/2019
Unit 50 ADMINISTRATION					
Project 888 SPIRIT OF THE TIGERS	\$ 972	\$ 3,000	\$ -	\$ 654	\$ 3,318
Project 894 ACS FITNESS ACCOUNT	232	1,066	-	1,081	217
Project 895 ACS ELEMENTARY MUSIC	2,189	10,779	-	8,768	4,200
Project 896 HUGS	788	95,018	-	58,663	37,143
Project 899 OPERATIONAL	23,096	31,522	-	28,546	26,072
Project 901 UNITED WAY DONATION ACCOUNT	1,744	135	-	1,716	163
Project 907 SPECIAL OLYMPICS	1,109	2,367	-	2,292	1,184
Project 912 ACS IECBOOSTER	2,439	749	-	910	2,278
Project 917 SUNSHINE WELFARE	975	133	-	-	1,108
Project 939 PUBLIC RELATIONS/CURRICULUM	241	25	-	-	266
Project 962 CHILD NUTRITION	-	60,103	-	60,103	-
Total Unit 50	<u>33,785</u>	<u>204,897</u>	<u>-</u>	<u>162,733</u>	<u>75,949</u>
Unit 110 CHARLES EVANS ELEMENTARY					
Project 801 CHARLES EVANS	6,162	21,248	-	22,652	4,758
Project 802 CHARLES EVANS LIBRARY	1,575	8,953	-	9,500	1,028
Project 803 CHARLES EVANS PTO	6,799	8,858	-	7,711	7,946
Project 906 CLEARING ACCOUNT	-	108	-	108	-
Project 911 CHARLES EVANS WELFARE	147	1,415	-	848	714
Total Unit 110	<u>14,683</u>	<u>40,582</u>	<u>-</u>	<u>40,819</u>	<u>14,446</u>
Unit 120 JEFFERSON ELEMENTARY					
Project 811 JEFFERSON	13,737	6,320	-	6,544	13,513
Project 812 JEFFERSON LIBRARY	645	1,474	-	2,052	67
Project 813 JEFFERSON PTO	2,487	181	-	614	2,054
Project 818 JEFFERSON STAFF ACTIVITY	547	117	-	-	664
Project 819 JEFFERSON CHRISTMAS	5,252	6,150	-	2,473	8,929
Project 820 JEFFERSON ARCHERY	155	-	-	-	155
Project 906 CLEARING ACCOUNT	-	66	-	66	-
Total Unit 120	<u>22,823</u>	<u>14,308</u>	<u>-</u>	<u>11,749</u>	<u>25,382</u>
Unit 125 LINCOLN ELEMENTARY					
Project 808 LINCOLN SUNSHINE ACCOUNT	142	691	-	667	166
Project 814 LINCOLN	1,568	16,057	-	13,056	4,569
Project 815 LINCOLN LIBRARY	1,017	8,972	-	8,230	1,759
Project 816 LINCOLN PTO	3,297	12,564	-	10,292	5,569
Project 906 CLEARING ACCOUNT	-	330	-	330	-
Total Unit 125	<u>6,024</u>	<u>38,614</u>	<u>-</u>	<u>32,575</u>	<u>12,063</u>
Unit 135 WILL ROGERS ELEMENTARY					
Project 804 WILL ROGERS ACTIVITY	201	33,424	-	24,923	8,702
Project 805 WILL ROGERS LIBRARY	2,028	1,068	-	972	2,124
Project 806 WILL ROGERS WELFARE	1,315	210	-	797	728
Project 817 WILL ROGERS PTO	-	11,926	-	7,950	3,976
Project 906 CLEARING ACCOUNT	-	128	-	128	-
Total Unit 135	<u>3,544</u>	<u>46,756</u>	<u>-</u>	<u>34,770</u>	<u>15,530</u>

ARDMORE SCHOOL DISTRICT NO. I-19
Carter County, Oklahoma
Supplemental Schedule
Combining Statement of Assets and Fund Balances – Activity Fund
For the Year Ended June 30, 2019

	Balance 6/30/2018	Receipts	Adjusting Entries	Checks	Balance 6/30/2019
Unit 505 ARDMORE MIDDLE SCHOOL					
Project 825 AMS ATHLETIC ACTIVITY	3,113	10,829	-	12,472	1,470
Project 826 AMS VOCAL MUSIC	54	7,110	-	5,249	1,915
Project 827 AMS POM SQUAD	3,289	3,321	-	5,746	864
Project 828 AMS MISCELLANEOUS	7,243	4,524	(340)	3,704	7,723
Project 829 AMS CHEERLEADERS	4,992	1,606	-	5,630	968
Project 830 AMS SCIENCE EXPLORERS	5,196	-	-	-	5,196
Project 831 AMS ART	1,331	-	-	-	1,331
Project 832 AMS STUDENT COUNCIL	336	7,136	-	4,402	3,070
Project 833 AMS FCCLA	116	-	45	-	161
Project 834 AMS NJHS	4,145	69,890	-	72,355	1,680
Project 835 AMS 4-H	45	-	(45)	-	-
Project 884 AMS LIBRARY	1,166	1,312	-	1,310	1,168
Project 893 AMS ENVIRONMENTAL CAMP	1,837	6,665	-	3,315	5,187
Project 906 CLEARING ACCOUNT	-	257	-	257	-
Project 926 AMS PTT	1,013	-	-	770	243
Project 931 AMS YEARBOOK	2,764	-	-	-	2,764
Project 933 AMS STAFF ACTIVITY	70	105	340	306	209
Project 946 AMS OUTDOOR CLASSROOM	564	-	-	-	564
Total Unit 505	<u>37,274</u>	<u>112,755</u>	<u>-</u>	<u>115,516</u>	<u>34,513</u>
Unit 705 ARDMORE HIGH SCHOOL					
Project 837 AHS ART	113	-	-	75	38
Project 838 AHS ATHLETICS	20,047	160,454	-	159,513	20,988
Project 839 AHS BAND	3,985	39,651	-	42,726	910
Project 841 AHS BAND BOOSTER CLUB	24,527	22,708	-	30,134	17,101
Project 843 AHS VOCAL MUSIC	3,780	6,375	-	6,201	3,954
Project 844 AHS TEST FEES	6,362	3,638	-	3,932	6,068
Project 845 AHS CLASS OF 2020	296	8,625	-	4,638	4,283
Project 846 AHS CLASS OF 2019	3,779	3,469	381	6,772	857
Project 847 AHS CLASS OF 2022	-	800	-	14	786
Project 848 AHS CLASS OF 2017	272	-	(272)	-	-
Project 849 AHS CLASS OF 2018	109	-	(109)	-	-
Project 850 AHS CLASS OF 2021	111	1,270	-	43	1,338
Project 851 AHS FORENSIC BOOSTER	11	-	-	-	11
Project 852 AHS CRITERION	10,888	5,215	-	6,400	9,703
Project 855 AHS POM SQUAD	4,027	17,811	-	17,251	4,587
Project 856 AHS DUGOUT CLUB	12,914	17,112	-	17,426	12,600
Project 857 AHS FORENSICS	2,349	12,220	-	14,241	328
Project 858 AHS AVID	175	-	(175)	-	-
Project 859 AHS FCCLA	744	26,961	-	27,265	440
Project 861 AHS TECHNOLOGY CLUB	11	-	-	-	11
Project 863 AHS LIBRARY	98	-	-	-	98
Project 864 AHS MISCELLANEOUS	3,290	2,071	175	3,745	1,791

ARDMORE SCHOOL DISTRICT NO. I-19
Carter County, Oklahoma
Supplemental Schedule
Combining Statement of Assets and Fund Balances – Activity Fund
For the Year Ended June 30, 2019

	Balance 6/30/2018	Receipts	Adjusting Entries	Checks	Balance 6/30/2019
Project 865 AHS NATIONAL HONOR SOCIETY	166	-	-	116	50
Project 866 AHS QUARTERBACK CLUB	9,668	-	-	7,418	2,250
Project 867 AHS SCIENCE CLUB	1,704	-	-	994	710
Project 869 AHS INTERNATIONAL CLUB	663	-	-	-	663
Project 871 AHS STRINGS/ORCHESTRA	10,977	11,179	-	16,219	5,937
Project 872 AHS STUDENT COUNCIL	925	15,817	-	15,261	1,481
Project 873 AHS TAKEDOWN CLUB	356	935	-	933	358
Project 874 AHS TENNIS CLUB	3,061	6,640	-	5,650	4,051
Project 877 AHS QB CLUB/NOBLE MAINTENANCE	645	-	-	-	645
Project 878 AHS VARSITY CHEERLEADERS	2,338	22,272	-	19,554	5,056
Project 879 AHS TIGERS SOCCER CLUB	12,034	16,131	-	8,961	19,204
Project 897 AHS TIGER TRACK MEET	1,492	6,720	-	5,589	2,623
Project 906 CLEARING ACCOUNT	-	259	-	259	-
Project 913 AHS NATIVE AMERICAN CLUB	5,268	6,451	-	7,427	4,292
Project 918 AHS GIRLS FASTPITCH CLUB	4,406	19,744	-	16,899	7,251
Project 919 AHS SOCCER	2,302	9,900	-	11,750	452
Project 921 AHS STATE TRACK MEET	532	-	-	-	532
Project 922 AHS HOLIDAY FESTIVAL	6,018	23,418	(3,448)	25,639	349
Project 938 AHS BENEVOLENCE	113	408	-	89	432
Project 943 AHS FOOTBALL CAMP	19,644	20,630	-	19,637	20,637
Project 943 TIGER BOYS BASKETBALL	-	773	1,724	713	1,784
Project 945 AHS ADVERTISING REVENUE	45,899	6,800	-	12,223	40,476
Project 951 LADY TIGER BASKETBALL	7,041	16,405	1,724	24,268	902
Project 953 AHS TIGER RUN ACCOUNT	4,916	23,358	-	25,135	3,139
Project 964 AHS SPORTS MEDICINE	320	150	-	438	32
Project 972 AHS GOLF	9,014	14,515	-	11,146	12,383
Project 977 AHS INCENTIVE ACCOUNT	-	-	-	-	-
Total Unit 705	<u>247,390</u>	<u>550,885</u>	<u>-</u>	<u>576,694</u>	<u>221,581</u>
Grand Total	<u>\$ 365,523</u>	<u>\$ 1,008,797</u>	<u>\$ -</u>	<u>\$ 974,856</u>	<u>\$ 399,464</u>

ARDMORE SCHOOL DISTRICT NO. I-19
Carter County, Oklahoma
Supplemental Schedule
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2019

				Federal CFDA Number	Pass Through Grantor's Project Number	Balance 6/30/2018	Federal Grant Receipts	Federal Grant Cash Basis Expenditures	Balance 6/30/2019	
U.S. Dept. of Interior										
Direct Program										
				FY18	15.130	563	\$ (23,606)	\$ 23,606	\$ -	\$ -
				FY19	15.130	563	-	4,162	33,062	(28,900)
							<u>\$ (23,606)</u>	<u>\$ 27,768</u>	<u>\$ 33,062</u>	<u>\$ (28,900)</u>
U.S. Dept. of Education										
Direct Program										
				FY18	84.041	591, 592	-	140,720	140,720	-
				FY18	84.060A	561	-	178,351	178,351	-
							<u>\$ -</u>	<u>\$ 319,071</u>	<u>\$ 319,071</u>	<u>\$ -</u>
Passed Through State Department of Education:										
				FY18	84.010	511, 515, 518	\$ (290,745)	\$ 290,745	-	-
				FY19	84.010	511, 515, 518	-	853,239	1,375,161	(521,922)
							<u>\$ (290,745)</u>	<u>\$ 1,143,984</u>	<u>\$ 1,375,161</u>	<u>\$ (521,922)</u>
				FY18	84.027	613, 621, 625	\$ (159,844)	\$ 160,299	455	-
				FY19	84.027	613, 621, 625	-	443,792	585,405	(141,613)
				FY18	84.173	641	(6,194)	6,194	-	-
				FY19	84.173	641	-	11,482	15,293	(3,811)
							<u>\$ (166,038)</u>	<u>\$ 621,767</u>	<u>\$ 601,153</u>	<u>\$ (145,424)</u>
				FY18	84.367	541, 543	(18,097)	18,097	-	-
				FY19	84.367	541, 543	-	34,759	38,974	(4,215)
				FY18	84.365	572	(6,876)	6,876	-	-
				FY19	84.365	572	-	28,342	35,492	(7,150)
				FY19	84.424A	552	-	20,701	29,500	(8,799)
				FY18	84.358B	587	(11,857)	11,857	-	-
				FY19	84.358B	587	-	38,192	50,881	(12,689)

ARDMORE SCHOOL DISTRICT NO. I-19
Carter County, Oklahoma
Supplemental Schedule
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2019

		Federal CFDA Number	Pass Through Grantor's Project Number	Balance 6/30/2018	Federal Grant Receipts	Federal Grant Cash Basis Expenditures	Balance 6/30/2019
<i>U.S. Dept. of Education - continued</i>							
<i>Passed Through State Department of Education:</i>							
Gear Up Grant	FY18	84.334	770	25,989	-	2,058	23,931
Gear Up Grant	FY19	84.334	770	-	-	23,866	(23,866)
Adult Education and Literacy	FY18	84.002	731	(97,552)	111,947	14,395	-
Adult Education and Literacy	FY19	84.002	731	-	56,071	76,589	(20,518)
JAVITS Gifted & Talented Students Education	FY19	84.206A	783	-	-	20,000	(20,000)
Total U.S. Department of Education				<u>\$ (565,176)</u>	<u>\$ 2,411,664</u>	<u>\$ 2,587,140</u>	<u>\$ (740,652)</u>
<i>U.S. Department of Agriculture</i>							
<i>Passed Through State Department of Education:</i>							
National School Lunch Program	FY19	10.555	763	\$ 411,135	\$ 1,016,470	\$ 1,332,783	\$ 94,822
School Breakfast Program	FY19	10.553	764	14,231	338,246	352,477	-
Summer Food Service Program	FY19	10.559	766	(18,332)	18,332	-	-
Summer Food Service Program	FY18	10.559	766	-	-	23,256	(23,256)
<i>Passed Through the Oklahoma Department of Human Services</i>							
Lunch Program - Commodities	FY19	10.555	763	-	123,267	123,267	-
Summer Food Service Program -Commodities	FY19	10.559	766	-	2,157	2,157	-
Child Nutrition Cluster				<u>\$ 407,034</u>	<u>\$ 1,498,472</u>	<u>\$ 1,833,940</u>	<u>\$ 71,566</u>
Total U.S. Department of Agriculture				<u>\$ 407,034</u>	<u>\$ 1,498,472</u>	<u>\$ 1,833,940</u>	<u>\$ 71,566</u>
<i>U.S. Department of Health and Human Services</i>							
<i>Passed Through centers for Medicare and Medicaid and Oklahoma Health Care Authority:</i>							
Medical Assistance Program (Medicaid)	FY18	93.778	698	\$ (18,213)	\$ 18,213	\$ -	\$ -
Medical Assistance Program (Medicaid)	FY19	93.778	698	-	9,419	9,419	-
Total U.S. Dept. of Health and Human Services				<u>\$ (18,213)</u>	<u>\$ 27,632</u>	<u>\$ 9,419</u>	<u>\$ -</u>
Total Expenditures of Federal Awards				<u>\$ (199,961)</u>	<u>\$ 3,965,536</u>	<u>\$ 4,463,561</u>	<u>\$ (697,986)</u>

ARDMORE SCHOOL DISTRICT NO. I-19
Carter County, Oklahoma
Notes to Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2019

Note A: Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of Ardmore School District No. I-19 Carter County, Oklahoma under programs of the federal government for the year ended June 30, 2019. The information in this Schedule is presented in accordance with the requirements of *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Ardmore School District No. I-19 Carter County, Oklahoma, it is not intended to and does not present the basic financial statements as listed in the table of contents, of Ardmore School District No. I-19 Carter County, Oklahoma.

Note B: Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on using the cash basis of accounting. Some amounts presented in the schedule may differ from amounts presented in, or used in the preparation of the basic financial statements. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, where certain types of expenditures are not allowable or are limited as to reimbursement. Nonmonetary assistance is reported in the schedule at the fair market value of commodities received.

Note C: Indirect Cost Rate

Ardmore School District No. I-19 Carter County, Oklahoma has elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

Note D: Subrecipients

Ardmore School District No. I-19 Carter County, Oklahoma did not have any awards that have been passed through to subrecipients.



INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN
AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS

To the Board of Education
Ardmore School District, No. I-19, Carter County, Oklahoma
Ardmore, Oklahoma

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Ardmore School District No. I-19, Carter County, Oklahoma, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the Ardmore School District No. I-19, Carter County, Oklahoma's basic financial statements and have issued our report thereon dated March 23, 2020. Our report included an adverse opinion on U.S. generally accepted accounting principles because the District prepares its financial statements on a prescribed regulatory basis of accounting.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Ardmore School District No. I-19, Carter County, Oklahoma's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Ardmore School District No. I-19, Carter County, Oklahoma's internal control. Accordingly, we do not express an opinion on the effectiveness of Ardmore School District No. I-19, Carter County, Oklahoma's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control

that might be material weakness or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Ardmore School District No. I-19, Carter County, Oklahoma's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Mary E Johnson & Associates PLLC

Ardmore, Oklahoma
March 23, 2020



INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE
REQUIRED BY THE UNIFORM GUIDANCE

To the Board of Education
Ardmore School District, No. I-19, Carter County, Oklahoma
Ardmore, Oklahoma

Report on Compliance for Each Major Federal Program

We have audited Ardmore School District, No. I-19, Carter County, Oklahoma's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Ardmore School District, No. I-19, Carter County, Oklahoma's major federal programs for the year ended June 30, 2019. Ardmore School District, No. I-19, Carter County, Oklahoma's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the federal statues, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Ardmore School District, No. I-19, Carter County, Oklahoma's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Ardmore School District, No. I-19, Carter County, Oklahoma's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Ardmore School District, No. I-19, Carter County, Oklahoma's compliance.

Opinion on Each Major Federal Program

In our opinion, Ardmore School District, No. I-19, Carter County, Oklahoma complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2019.

Report on Internal Control Over Compliance

Management of Ardmore School District, No. I-19, Carter County, Oklahoma is responsible for establishing and maintaining effective internal control over compliance referred to above. In planning and performing our audit, we considered Ardmore School District, No. I-19, Carter County, Oklahoma's internal control over compliance with the requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Ardmore School District, No. I-19, Carter County, Oklahoma's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Mary E Johnson & Associates PLLC

Ardmore, Oklahoma
March 23, 2020

ARDMORE SCHOOL DISTRICT I-19
 Carter County, Oklahoma
 Schedule of Findings and Questioned Costs
 Year Ended June 30, 2019

Section I Summary of Auditor's Results

Financial Statements:

Type of auditor's report issued	Unmodified Regulatory Basis	
Internal control over financial reporting:		
Material weakness(es) identified?	_____ Yes	_____ <u>X</u> No
Significant Deficiency(ies) identified?	_____ Yes	_____ <u>X</u> None Reported
Noncompliance material to financial statement	_____ Yes	_____ <u>X</u> No

Federal Awards:

Internal control over major program:		
Material weakness(es) identified?	_____ Yes	_____ <u>X</u> No
Significant Deficiency(ies) identified ?	_____ Yes	_____ <u>X</u> None Reported

Type of auditors' report issued on compliance for major programs:	Unmodified	
Any audit findings disclosed that are required to be reported in accordance with 2 CFR section 200.516(a)?	_____ Yes	_____ <u>X</u> No

Identification of Major Programs:	
<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
84.027; 84.173	Special Education Cluster (IDEA)
10.553; 10.555; 10.559	Child Nutrition Cluster

Dollar threshold used to distinguish between Type A and Type B programs:	\$	750,000
Auditee qualified as a low-risk auditee?	_____ Yes	_____ <u>X</u> No

ARDMORE SCHOOL DISTRICT I-19
Carter County, Oklahoma
Schedule of Findings and Questioned Costs
Year Ended June 30, 2019

Section II – Financial Statement Findings

None

Section III – Federal Award Findings and Questioned Costs

None

ARDMORE SCHOOL DISTRICT I-19
Carter County, Oklahoma
Summary Schedule of Prior Audit Findings
Year Ended June 30, 2019

Financial Statement Findings

None

Federal Award Findings and Questioned Costs

None

Other Oklahoma Department of Education Requirements

ARDMORE SCHOOL DISTRICT I-19
Carter County, Oklahoma
Statement of Statutory Fidelity and Honesty Bonds (Unaudited)
For the Year Ended June 30, 2019

The District has a public official position bond with Western Surety Company. The bond number is 71825359. This bond covers the superintendent for \$100,000. The term is August 31, 2018 to August 31, 2019.

The District has a public official position bond with Western Surety Company. The bond number is 69537183. This bond covers the treasurer for \$100,000. The term is July 1, 2018 to June 30, 2019.

The District has a blanket bond with Western Surety Company, bond number 70784644 for various positions including the minutes clerk, encumbrance clerk and activity fund custodian, in the amount of \$100,000. The term is July 1, 2018 to June 30, 2019.

ARDMORE SCHOOL DISTRICT I-19
Carter County, Oklahoma
Schedule of Accountant's Professional Liability Insurance Affidavit (unaudited)
For the Year Ended June 30, 2019

State of Oklahoma)

County of Carter)

The undersigned auditing firm of lawful age, being first duly sworn on oath, says that said firm had in full force and effect Accountant's Professional Liability Insurance in accordance with the "Oklahoma Public School Audit Law" at the time of audit contract and during the entire audit engagement with Ardmore School District I-19 for the audit year 2018-2019.

MARY E. JOHNSON & ASSOCIATES, PLLC

Mary E. Johnson

BY: _____
Authorized Agent

Subscribed and sworn to before me on this 22nd day of March, 2020.

Jillian Luker
Notary Public

Commission Number: _____

My commission expires on: _____

